

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6363

BILL NUMBER: SB 360

NOTE PREPARED: Jan 28, 2008

BILL AMENDED: Jan 24, 2008

SUBJECT: E85 fueling station grants.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that only one E85 fueling station grant may be made per fueling station location, and that the amount of a grant may not exceed the lesser of the amount of the qualified investment or \$20,000. It provides that the amount of a grant may be less than the amount of the qualified investment. The bill also corrects state agency references.

Effective Date: Upon passage.

Explanation of State Expenditures: Increasing the cap for awards could result in more grants being awarded to the extent that more projects would qualify. For example, with a \$5,000 grant, the recipient could retrofit an existing pump to accommodate E85 fuel. With a \$20,000 grant, the recipient could put in a new pump.

(Revised) **Background.** The Department of Agriculture (ISDA) and the Office of Energy and Defense Development administer the program. Under the \$5,000 cap, the state awarded two grants: one to Good Oil Inc in 2007 and one to National Oil & Gas in 2008. The program is funded through the corn checkoff (an assessment of one-half cent per bushel of corn collected by the first purchaser). The grant program has a cap of \$1 M.

Federal grants awarded in FY 2007 are listed below.

Biofuels Grant Program	County	Award Date	AwardAmount	Project
Makowsky Oil Company, Inc.	Clark	9/1/2006	\$30,000	Bio-Island
Family Express Corp	LaPorte	9/1/2006	\$12,500	E85 Infrastructure
Family Express Corp	Porter	9/1/2006	\$12,500	E85 Infrastructure
Family Express Corp	Jasper	9/1/2006	\$11,269	E85 Infrastructure
Goodman & Sons	Sullivan	9/1/2006	\$ 5,151	E85 Infrastructure
Lincoln Gas, Inc.	Knox	9/1/2006	\$12,500	E85 Infrastructure
Martins Super Market	St. Joseph	9/1/2006	\$12,500	E85 Infrastructure
Big Bear Fuels Int. LLC	Lake	9/1/2006	\$12,500	E85 Infrastructure
Citgo/Brown Hen One Stop, LLC	Marion	9/1/2006	\$30,000	Bio-Island
Eddie's Service Inc.	Orange	9/1/2006	\$30,000	Bio-Island
Heyde Oil Inc.	Huntington	9/1/2006	\$12,500	E85 Infrastructure
Jones Oil Company	Martin	9/1/2006	\$12,500	E85 Infrastructure
Chicagoland Oil Company	Tippecanoe	9/1/2006	\$12,500	E85 Infrastructure
Good Oil	Marshall	12/15/2006	\$30,000	Bio-Island
Family Express	Statewide	12/15/2006	\$60,000	E85 Infrastructure
TOTAL			\$296,420	

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ISDA.

Local Agencies Affected:

Information Sources: ISDA.

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